

6 July 1976

MEMORANDUM

SUBJECT: Office of Federal Procurement Policy and Proposed Hearings
on Procurement by a Subcommittee of the Senate Committee
on Government Operations

1. Senator Chiles' Subcommittee on Federal Spending Practices, Efficiency, and Open Government of the Senate Committee on Government Operations is scheduled to hold hearings in early August or mid-September on the performance of the Office of Federal Procurement Policy (OFPP). In addition to consideration of the overall performance of OFPP--which is in OMB--the Subcommittee apparently will focus on how individual Federal agencies have complied with implementing OMB Circular A-109 related to acquisitions of "Major Systems." Additionally, Senator Chiles is interested in delving into the dollar savings generated by procurement reform in the Executive branch. The Senator apparently also has requested that GAO provide OMB whatever assistance is required.

STAT 2. As a result of Senator Chiles' letter to OMB of 4 June 1976, the OFPP notified [redacted] head of our Procurement Management Staff (PMS), that OFPP will want to review the Agency's progress in implementing OMB Circular A-109.

3. PMS was charged initially with responsibility for coordinating the Agency's position on the relevant recommendations of the Commission on Government Procurement (1969-73) which resulted in the issuance of OMB Circular A-109. According to the attached memo of 11 June 1976 from the Director of Logistics to the Comptroller, PMS has recommended that the Office of the Comptroller take responsibility for this whole matter, since, according to PMS, the OMB Circular on acquisition of major systems covers a wide range of agency activities in addition to procurement, including requirements, budgeting, setting of objectives, contracting, and program management.

a. In subsection b on page 3 of the attached 11 June 1976 memo, reference is made to the requirement that beginning in FY 1979, the Agency must "separately identify research and development funding for" technological support for "overall missions," development efforts to fulfill each mission, and "full-scale development." Presumably, though it is not clear from reading this paragraph, this requirement derives from OMB Circular A-109.

4. Recommendation: OLC should be in contact with DDA and the Comptroller to determine what sorts of information and requirements are involved here. Also, regarding our relations with OMB and, indirectly or directly, with Senator Chiles' Subcommittee, we should get a handle on what OMB will require and make clear to OMB our position on what sorts of information can or should be released to the Subcommittee. If it appears that the Subcommittee, or OMB leans toward having the Agency submit certain detailed information to the Subcommittee, we might want to marshal our efforts in opposition to such a move and perhaps be in touch with the Select Committee.

a. An OLC staffer should have action on this; if you want me to handle it, I should work with [redacted] since he has certain expertise and knowledge of DDA.

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[redacted]
Office of Legislative Counsel

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